

1 JOHN M. MCCOY III, Cal. Bar No. 166244
2 Email: mccoyj@sec.gov
3 CATHERINE W. BRILLIANT, Cal. Bar No. 229992
4 Email: brilliantc@sec.gov

5 Attorneys for Plaintiff
6 Securities and Exchange Commission
7 Rosalind R. Tyson, Regional Director
8 Andrew G. Petillon, Associate Regional Director
9 5670 Wilshire Boulevard, 11th Floor
10 Los Angeles, California 90036
11 Telephone: (323) 965-3998
12 Facsimile: (323) 965-3908

9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **WESTERN DIVISION**

12 SECURITIES AND EXCHANGE COMMISSION, Case No. 08-CV-06278 GAF (SSx)

13 Plaintiff,

14 vs.

15 WEALTHWISE, LLC and
16 JEFFREY A. FORREST,

17 Defendants.

18 **JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF AS
TO DEFENDANTS WEALTHWISE, LLC
AND JEFFREY A. FORREST**

1 Plaintiff Securities and Exchange Commission (“Commission”) having filed a Complaint and
2 Defendants WealthWise, LLC and Jeffrey A. Forrest (collectively “Defendants”) having entered
3 a general appearance; consented to the Court’s jurisdiction over Defendants and the subject
4 matter of this action; consented to entry of this Judgment of Permanent Injunction and Other
5 Relief (the “Judgment”) without admitting or denying the allegations of the Complaint (except as
6 to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal
7 from this Judgment:

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants and
10 Defendants’ agents, servants, employees, attorneys, and all persons in active concert or
11 participation with them who receive actual notice of this Judgment by personal service or
12 otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities
13 Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the
14 use of any means or instruments of transportation or communication in interstate commerce or
15 by use of the mails, directly or indirectly:

- 16 (a) to employ any device, scheme, or artifice to defraud;
- 17 (b) to obtain money or property by means of any untrue statement of a material fact
18 or any omission of a material fact necessary in order to make the statements
19 made, in light of the circumstances under which they were made, not misleading;
20 or
- 21 (c) to engage in any transaction, practice, or course of business which operates or
22 would operate as a fraud or deceit upon the purchaser.

23 **II.**

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
25 and Defendants’ agents, servants, employees, attorneys, and all persons in active concert or
26 participation with them who receive actual notice of this Judgment by personal service or
27 otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section
28 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and

1 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
2 instrumentality of interstate commerce, or of the mails, or of any facility of any national
3 securities exchange, in connection with the purchase or sale of any security:

- 4 (a) to employ any device, scheme, or artifice to defraud;
- 5 (b) to make any untrue statement of a material fact or to omit to state a material fact
6 necessary in order to make the statements made, in the light of the circumstances
7 under which they were made, not misleading; or
- 8 (c) to engage in any act, practice, or course of business which operates or would
9 operate as a fraud or deceit upon any person.

10 **III.**

11 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
12 and their agents, servants, employees, attorneys, and all persons in active concert or participation
13 with them who receive actual notice of this Judgment by personal service or otherwise are
14 permanently restrained and enjoined from violating, directly or indirectly, Section 206(1) or
15 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§80b-6(1) and (2)],
16 by using the mails or any means or instrumentality of interstate commerce while acting as an
17 investment adviser as defined in the Advisers Act:

- 18 (a) to employ any device, scheme, or artifice to defraud clients or prospective clients;
19 or
- 20 (b) to engage in any transaction, practice, or course of business which operates as a
21 fraud or deceit on clients or prospective clients;

22 **IV.**

23 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
24 shall, in an amount to be determined, pay disgorgement of ill-gotten gains, prejudgment interest
25 thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d),
26 Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e)(1) of the
27 Advisers Act, 15 U.S.C. § 80b-9(e)(1) . The Court shall determine the amounts of the
28 disgorgement and civil penalty, if any, upon motion of the Commission. Prejudgment interest, if

1 any, shall be calculated from January 1, 2007, based on the rate of interest used by the Internal
2 Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. §
3 6621(a)(2).

4 **V.**

5 In connection with the Commission's motion(s) for disgorgement and/or civil penalties and at
6 any hearing held on such motion: (a) Defendants will be precluded from arguing that they did not
7 violate the federal securities laws as alleged in the Complaint; (b) Defendants may not challenge
8 the validity of the Consents or this Judgment; (c) solely for the purposes of such motion, the
9 allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the
10 Court may determine the issues raised in the motion on the basis of affidavits, declarations,
11 excerpts of sworn deposition or investigative testimony, and documentary evidence, without
12 regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of
13 Civil Procedure. In connection with the Commission's motion for disgorgement and civil
14 penalties, the parties may take discovery, including discovery from appropriate non-parties.

15 **VI.**

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Defendants' Consents
17 are incorporated herein with the same force and effect as if fully set forth herein, and that
18 Defendants shall comply with all of the undertakings and agreements set forth therein.

19 **VII.**

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain
21 jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

22 **VIII.**

23 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil
24 Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

25
26 Dated: February 4, 2009

27
28 
HONORABLE GARY A. FEESS
UNITED STATES DISTRICT JUDGE